

601. DEFINITION

For purposes of this system, an MRS is a nursing facility in which at least 55% of the patients have demonstrated special needs relating to the diagnosis of mental retardation and meet Medicare SNF admission criteria.

602. RATE COMPUTATION

The rate computation for MRS facilities shall be identical with those for freestanding nursing facilities with the following exceptions:

- A. MRS facilities shall have their upper limit for allowable nursing services cost per case mix unit based on 120% of the upper limit cost per case mix unit (after trending and indexing) for the applicable array (urban or rural) of freestanding nursing facilities.
- B. The Nursing Services Cost Savings Incentive shall be paid to those facilities which have a cost per case mix unit less than 120% of the upper limit cost per case mix unit (after trending and indexing) for the applicable array (urban or rural) of freestanding nursing facilities.
- C. MRS facilities shall have their upper limit for the allowable All Other Cost per diem (trended and indexed) based on 120% of upper limit cost per diem (trended and indexed) for the applicable array (urban or rural) of freestanding nursing facilities.

- D. The All Other Cost Savings Incentive shall be paid to those facilities which have a per diem cost (trended and indexed) less than 120% of the per diem cost upper limit (trended and indexed) for the applicable array (urban or rural) of freestanding nursing facilities.
- E. For both the Nursing Services Cost and All Other Cost, the Cost Savings incentive per diem shall be 10% of the difference between the facility's allowable cost per diem and the MRS per diem cost upper limit, not to exceed \$1.50 for either of the two components.

COMMONWEALTH OF KENTUCKY  
Cabinet for Human Resources  
Department for Medicaid Services

KENTUCKY MEDICAL ASSISTANCE PROGRAM  
NURSING FACILITY PAYMENT SYSTEM

PART VII  
Pediatric Facilities

TN # 90-6  
Supersedes  
TN # None

Approval  
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Date 10-1-90

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700. INTRODUCTION

This payment system is designed for pediatric nursing facilities (PNF) which are providing services to Title XIX (Medicaid) recipients and are to be reimbursed under the Kentucky Medical Assistance Program (Program) of the Department for Medicaid Services (Department). Except as specified in this manual supplement, policies and procedures as stated in the Kentucky Medical Assistance Program Nursing Facility Reimbursement Manual, Parts I and III are applicable to pediatric nursing facilities. This reimbursement system becomes effective with the rate setting on July 1, 1991.

The reimbursement principles and procedures in effect on July 1, 1990 shall remain in effect through June 30, 1991, except for an adjustment to the routine rate effective October 1, 1990 to take into account those medical supplies which become routine cost items instead of ancillary cost items on that date. The information submission requirements and add-on per diem computation shall be the same as those found in the ICF/MR portion of this manual (Part IV).

The cost report submission requirements and the rate computation methodology rates effective July 1, 1991 shall be the same as those for IMD facilities (Part V of this manual).

The intent of this reimbursement system is to recognize the reasonable costs associated with the services and level of care provided by PNF's.

SKILLED NURSING FACILITIES  
WITH MENTAL RETARDATION SPECIALTY  
COST INCENTIVE AND INVESTMENT FACTOR SCHEDULE

BASIC PER DIEM COST	INVESTMENT FACTOR PER DIEM AMOUNT	INCENTIVE FACTOR PER DIEM AMOUNT
\$68.99 & Below	\$1.38	\$.87
\$69.00 - \$71.99	1.29	.75
\$72.00 - \$74.99	1.18	.62
\$75.00 - \$77.99	1.06	.47
\$78.00 - \$80.99	.92	.31
\$81.00 - \$83.99	.76	.13
\$84.00 - \$85.75*	.53	-

Maximum Payment \$85.75

\*Total payment cannot exceed Maximum.



701. DEFINITION

A facility having PNF beds and providing pediatric care only shall be classified as a pediatric nursing facility and receive reimbursement in accordance with the payment mechanism developed for that class of facility.

COMMONWEALTH OF KENTUCKY  
Cabinet for Human Resources  
Department For Medicaid Services

--- KENTUCKY MEDICAL ASSISTANCE PROGRAM  
NURSING FACILITY PAYMENT SYSTEM

PART VIII

COST REPORT INSTRUCTIONS

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